

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

December 16, 2015

The Board of Agriculture, Trade and Consumer Protection met on December 16, 2015, at the Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Board Room, Madison, WI. The meeting was preceded by public notice as required by Wis.Stat. §19.84.

Call to Order

Board Chair Andy Diercks called the meeting to order at 9:03 a.m.

Members Present

Andy Diercks, Dennis Badtke, Miranda Leis, Nicole Hansen, Dean Strauss, Greg Zwald, Paul Palmby, Mark Schleitwiler, and Doug Wolf were present. None were absent.

Minutes

Motion

Nicole Hansen made a motion, seconded by Dennis Badtke, to approve the November 18, 2015, Board minutes. Motion approved unanimously.

ATCP 75 and 75 Appendix – Retail Food Establishments (Scope Statement)

Dr. Steve Ingham, Division Administrator, and Tim Anderson, Director of Field Services for the Division of Food Safety, presented the Scope Statement for ch. ATCP 75 and 75 Appendix, related to Retail Food Establishments.

This proposed rule revision is part of the transfer of food safety and recreational licensing regulations from the Department of Health Services (DHS) to the Department of Agriculture, Trade & Consumer Protection (Department). 2015 Act 55 authorized the transfer of DHS's Food Safety and Recreational Licensing Section to the Department's Division of Food Safety, effective July 1, 2016.

The primary objective of this rule revision is to amend ATCP 75 Appendix, "Wisconsin Food Code," to conform to the 2013 Federal Model Food Code, with policies and procedures used by both DHS and the Department in current food safety practice, and to reflect additional modifications proposed by the National Conference on Food Protection (NCFP).

Motion

Nicole Hansen made a motion, seconded by Doug Wolf, to approve the Scope Statement of chs. ATCP 75 and Appendix. Motion approved unanimously.

ATCP 30, 40, 42, 50, 75 Appendix, 90, 91, 92, 94, 105, 127, 134, 141- Technical Rule (Scope Statement)

Karley Downing, Chief Legal Counsel, presented the chs. ATCP 30, 40, 42, 50, 75 Appendix, 90, 91, 92, 94, 105, 127, 134, and 141 Scope Statement to the Board.

The proposed rule will make technical changes (non-substantive or minor substantive changes) to the following administrative code chapters:

- Pesticide Product Restrictions
- Fertilizer and Pesticide Bulk Storage
- Commercial Feed
- Soil and Water Resource Management Program
- Wisconsin Food Code
- Fair Packaging and Labeling
- Selling Commodities by Weight, Measure or Count
- Weights & Measures
- Flammable, Combustible, and Hazardous Liquids
- Petroleum and Other Liquid Fuel Products
- Sales Below Cost
- Direct Marketing
- Residential Rental Practices
- Cherry Marketing Order

Motion

Dennis Badtke made a motion, seconded by Dean Strauss, to approve the Scope Statement of chs. ATCP 30, 40, 42, 50, 75 Appendix, 90, 91, 92, 94, 105, 127, 134, and 141. Motion approved unanimously.

Wisconsin Agricultural Statistics Services (WASS) Report

Greg Bussler, State Statistician, updated the Board on the following:

- Production Report
 - In October, 2.45 billion pounds of milk were produced in Wisconsin.
 - Milk production in 23 major states totaled 16.0 billion pounds.

- As of December 1, 2015, Wisconsin had 9,711 milk cow herds, down 395 herds since December 2014.
- Price Report
 - October price of \$17.60 per hundredweight of milk.
 - Price of corn sold for \$3.57 per bushel.
 - Soybean price sold for \$8.56 per bushel.
 - Alfalfa hay sold for \$98 per ton, down \$61 per ton since last year.
- 2015 Small Grain County Estimates
 - Released on Thursday, December 10, and used by FSA and RMA for crop insurance payments.
 - Estimates available on the NASS website and QuickStats.
 - Winter Wheat– Dane County was largest winter wheat producing county in Wisconsin in 2015.
 - Oats– Langlade County was the largest oat producing county in Wisconsin in 2015.
- Other Noteworthy Items
 - Agricultural Resource Management Survey (ARMS)
 - Data is collected on production, income, and expenses in 2015.
 - Data will be collected in February/March 2016.
 - Organic Production Survey
 - Census follow on survey and reporting is mandatory.
 - A questionnaire will be mailed to certified organic producers in January on their organic production in 2015.
- Annual/Final 2015 Crop Production Report will be released on Tuesday, January 12, 2016.

Farmland Preservation Program Biennial (Report)

Alison Volk, Land Management Section Chief, along with Katie Vosburg from the Division of Agricultural Resource Management, presented a PowerPoint and the Farmland Preservation Program Biennial Report to the Board.

The Farmland Preservation Program Biennial Report is made in conjunction with the Department of Revenue and is prepared every two years according to Wis. Stats. § 91.04. The report covers the Department's efforts to implement the Farmland Preservation Program, agricultural enterprise areas, and farmland preservation agreements, planning and zoning. The report also contained information on farmland availability, trends in farm use, program participation by local governments and landowners, farmland preservation tax credits, adherence to soil and water conservation practice requirements, program costs, recommendations, and issues identified by the Department.

Bureau of Land and Water Resources (Report)

Sara Walling, Nutrient Management and Water Quality Section Chief within the Division of Agricultural Resource Management, presented a report and PowerPoint to the Board regarding the Bureau of Land and Water Resources.

The report highlighted the Bureau's Nutrient Management Program and provided information regarding nutrient management requirements, cost-share grant funding, educational programming, and related projects including the Wisconsin Manure Advisory System and the Runoff Risk Advisory Forecast.

ATCP 52 Producer Led Watershed Protection Grants- Emergency Rule

Sara Walling, Nutrient Management and Water Quality Section Chief within the Division of Agricultural Resource Management, presented the Emergency Rule relating to ch. ATCP 52 regarding Producer Led Watershed Protection Grants.

2015 Act 55 authorized the Department under Wis.Stat. § 93.59, to make grants for nonpoint source pollution abatement activities that are "conducted with the assistance of producer led groups." Under section 485 of Act 55, the Department is authorized to award up to \$250,000 annually in grants to qualified groups consisting of agricultural producers that wish to voluntarily conduct nonpoint source water pollution abatement activities.

The Department proposes an Emergency Rule that will:

- Define "legal entity" in relation to the Producer Led Watershed Protection Grant Program.
- Specify the application process for a grant.
- Specify activities that may be conducted using a grant.

The Emergency Rule will take effect on February 29, 2016, and will remain in effect until July 28, 2016. At that time, the Department may apply for two 60-day extensions for a total effective time limit of 270 days. If granted, the Emergency Rule could be extended to November 25, 2016.

Glendale Elementary School (Report)

Principal Benjamin Ketterer appeared before the Board to give a summary and update of the Department partnership with Glendale Elementary School.

Glendale Elementary School is a school in Madison comprised of many students from low income families. Glendale Elementary has partnered with the Department since 2005 to provide student interaction and tutoring with Department staff. The Department hosts Take Your School to Work Day, conducts fundraisers to support the school, and participates in the Glendale Gardens program.

International Agribusiness Center (Report)

Jennifer Pino-Gallagher, International Agribusiness Center Bureau Director within the Division of Agricultural Development, along with several of her staff members, presented a report and PowerPoint to the Board highlighting the International Agribusiness Center.

The International Agribusiness Center (Trade Team) has been offering international services since the 1960s, and helps Wisconsin's agricultural companies and producers succeed by identifying export opportunities around the world. The team provides technical expertise and market development initiatives to aid in the growth of Wisconsin agriculture through increased exports and development of trade enhancing partnerships. By analyzing client feedback, global trends, market and export data, the Trade Team establishes criteria for identifying target markets and activities.

The Trade Team's services to Wisconsin's agribusiness focus on a very robust core set of business development services that include:

- Exporter Education
- Market Research
- Market Development

Producer Security Update (Report)

Jeremy McPherson, Director of the Business Trade Practices Bureau, presented an Actuarial Report to the Board regarding the Agricultural Producer Security Program and Trust Fund (Program).

The Program provides assurance that producers of grain, milk, and vegetables grown for processing will be paid and those storing grain will be protected in the event of a contractor default. The Program is financed through licensing fees that all producers are charged with and kept in a separate trust fund that may be used in the event a default occurs.

The Actuarial Report analyzed the current structure of the Program and its ability to cover future defaults, the fairness of industry assessment fees, fee holidays, and the benefit or cost to splitting the Program into separate stand-alone categories.

The Producer Security Council will review the report and determine any necessary policy changes or rule-making initiatives they wish to pursue in the future.

Board Member Reports

Dean Strauss– Dean expressed his appreciation for the international trade team and their efforts to promote Wisconsin exports. With a little bit of plowing left to do, Dean is focusing on tax planning and buying seed for next year. His manure digester continues to fill up with 5,000 gallons per day and should be fully functional by Christmas. Dean wished the Board a Merry Christmas.

Greg Zwald– Greg has been busy bedding down his strawberry and blueberry fields with chopped straw for winter. With the recent cold freeze, Greg was able to get the last of the corn harvested after the ground froze. Greg's wife and oldest daughter are on a trip to El Salvador.

Andy Diercks– On the farm, Andy is continuing to ship fresh potatoes which is unusual for this time of year. The potato crop was good in Wisconsin, especially compared to Idaho and Washington. Andy recently attended the UW-Extension Discovery Farm Conference on manure and nitrogen management which was well attended. Andy appreciated hearing the report from Department staff on nutrient management planning as well. Andy wished everyone a Merry Christmas and a Happy New Year.

Nicole Hansen– Nicole complimented the international trade team and indicated that the staff have always been helpful and knowledgeable when she has worked with them. The cranberry industry exports 30% of the crop and will hopefully be able to increase that number in the future. Nicole has been busy with meetings over the winter season and is preparing for next year. Nicole wished everyone a Merry Christmas.

Dennis Badtke– Dennis commended Secretary Brancel and the international trade team for their work on increasing and expanding Wisconsin exports to foreign countries. The Federal Open Market Committee (FOMC) is rumored to raise the target range for the federal funds rate by 25 basis points. This will have a very minimal impact on Badgerland Financial at this time as 90% of the money currently loaned out is under fixed rates, with only 10% as variable. Dennis wished the Board a Merry Christmas and Happy New Year.

Doug Wolf- Doug is focusing on tax planning over the winter months and wished the Board a Merry Christmas and a Happy 2016.

Miranda Leis- The Kickapoo River banks are flooded after the area received five to six inches of rain recently, which has put a stop to any field work for now and increased fears of winter kill. Miranda is wrapping up year-end projects and working on her tax planning. The holiday season has slowed down things at Organic Valley allowing them to focus on their budget approvals. Miranda wished the Board a Merry Christmas and Happy New Year.

Mark Schleitwiler- There is a lot of enthusiasm about Belgioioso's first wastewater treatment plant as it begins operation today. This year started a little slower with the high milk prices but consumer demand stayed strong and will hopefully continue into next year. Milk volume continues to increase and milk producers are providing good quality product. In September,

Mark went on five day elk hunt in Montana. Mark wished the Board and Department staff a Happy Holidays.

Paul Palmby- Paul noted how impressed he was with the Department staff and their knowledge and professionalism. The seasonal pack season is done in Wisconsin for this year, but Seneca Foods is focusing on incorporating their new acquisition of Gray & Company. Gray & Company is the world's leading provider of maraschino cherries and one of the largest providers of glace or candied fruit products.

Secretary's Report

Secretary Ben Brancel thanked the Board for the comments regarding the international trade team and the Department staff in general. The Secretary felt the Department is well trusted and respected by the tax paying citizens, which is a tribute to its dedicated staff and their leadership team.

December 14, 2015, the Secretary participated in the Agency Leaders meeting in Madison. Leaders of state, federal and university agencies meet twice a year to discuss agricultural and environmental matters of mutual interest. Soil classification was a topic of discussion at this meeting as there needs to be more communication to farmers regarding the collaboration of agencies and the overall process when soil is reclassified.

The Secretary also provided remarks to participants in the Cranberry Leadership Development Academy in Madison. The Academy is made up of young individuals who are interested in pursuing a career in the cranberry industry.

Eleven tribal communities and members of the Department of Natural Resources (DNR) were represented at a recent Tribal Consultation meeting held at the Department. The tribal interest in agriculture, especially related to food delivery structures, has grown recently.

Deputy Secretary Jeff Lyon, along with the Secretary, recently addressed the Board of Directors of the Wisconsin Agri-Business Association at a meeting held in Madison. Topics discussed included: transportation issues, product delivery, exports, regulation oversight, and potential new feed rules based on the Federal Food Safety Modernization Act.

Memories Gourmet Pizza was recently accepted into the Federal Cooperative Interstate Shipment (CIS) Program, which allows the sale of state-inspected meat products across state lines. Ten Wisconsin businesses now participate in the CIS program, with six more moving through the application process for 2016.

Department Federal Liaison Matt Tompach spoke with House Speaker Paul Ryan, along with the Secretary, about efforts to repeal country-of-origin labeling (COOL) rules related to meat products through the fiscal year 2016 omnibus bill. Calls for repeal are growing since the World Trade Organization (WTO) has ruled that Canada and Mexico may impose retaliatory tariffs of up to \$782 million and \$227.76 million, respectively, on imported U.S. products. Labeling of

genetically modified (GMO) foods or foods with GMO ingredients and any action regarding the Waters of the U.S. rule will likely not be included in the omnibus spending bill.

On Monday, December 7, 2015, the Secretary along with Department international trade staff, met with the Indonesian Consul General Andriana Supandy and Consul for Economic Affairs Alberd Pardede. Trade opportunities, focusing on forest products, between Indonesia and Wisconsin were discussed. Indonesia has the fourth largest populous in the world.

The ninth annual Governor's Northern Wisconsin Economic Development Summit was held in Trego, Wisconsin, on December 1, 2015. The annual summit provides an opportunity to address the unique challenges and opportunities of Northern Wisconsin's economy through a forum with the Governor's Cabinet, keynote speakers, and a series of workshops. The Secretary, along with several staff members from the Division of Agricultural Development in charge of meat product promotion, toured Big Butz BBQ Sauce, Anderson Maple Syrup, and Louie's Finer Meats that day.

While in the area for the summit, the Secretary visited with AmeriCorps members in Spooner, and participated with third grade students in a tasting lesson on squash. The Secretary was also able to meet with the Spooner high school FFA members and visited their school garden.

Early next year, the Department will be bringing forth a Scope Statement regarding ch. ATCP 51, Livestock Facility Siting, to the Board. Aligning Department rules with the DNR rules, and the U.S. Department of Agriculture Natural Resource Conservation Service (NRCS) codes is very critical to creating uniformity and clarity for the public. The NRCS will be finalizing the Nutrient Management Code 590 in the near future. This code will require changes to the Department's chs. ATCP 50 and 51 regarding Soil and Water Resource Management.

Future Schedule and Agenda Items

The Board is scheduled to meet January 19, 2016, in Madison.

Adjournment

By unanimous consent, the Board adjourned at approximately 1:56 pm.

Andy Diercks, Board Chair

Nicole Hansen, Secretary